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98TH CONGRESS } HOUSE OF REPRESENTATIVES { REPT. 98-  
1st Session } 423 Part 1

## SMALL BUSINESS COMPUTER CRIME PREVENTION ACT

OCTOBER 20, 1983.—Ordered to be printed

Mr. MITCHELL, from the Committee on Small Business,  
submitted the following

### R E P O R T

[To accompany H.R. 3075 which on May 19, 1983, was jointly referred to the Committee on Small Business and the Committee on the Judiciary]

[Including cost estimate of the Congressional Budget Office]

The Committee on Small Business, to whom was referred the bill (H.R. 3075) to amend the Small Business Act to establish a Small Business Computer Crime and Security Task Force, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

#### SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Computer Crime Prevention Act".

#### FINDINGS AND PURPOSES

Sec. 2. (a) The Congress hereby finds that—

- (1) there is an increased dependency on, and proliferation of, information technology (including computers, data networks, and other communication devices) in the small business community;
- (2) such technology has permitted and expanded criminal activity against small business concerns; and
- (3) small business concerns are not always able to protect their information technology from computer criminals.

(b) The purposes of this Act are—

- (1) to improve the management by small business concerns of their information technology; and
- (2) to encourage small business concerns to protect such technology from criminal activity.

#### COMPUTER CRIME AND SECURITY TASK FORCE

Sec. 3. Section 4(b) of the Small Business Act (15 U.S.C. 633(b)) is amended by adding at the end thereof the following new paragraph:

"(3) (A) The Administrator shall, not later than 60 days after the effective date of this paragraph, establish a task force to be known as the 'Small Business Computer Crime and Security Task Force'.

"(B) The Task Force shall consist of the following members:

"(i) an employee of the Small Business Administration, appointed by the Administrator;

"(ii) an employee of the Institute for Computer Sciences and Technology of the Department of Commerce, appointed by the Secretary of Commerce;

"(iii) an employee of the Department of Justice, appointed by the Attorney General;

"(iv) an employee of the Department of Defense, appointed by the Secretary of Defense;

"(v) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer hardware to small business concerns;

"(vi) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer software to small business concerns;

"(vii) one individual, appointed by the Administrator, who is representative of the interests of the providers of insurance to small business concerns;

"(viii) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer security equipment and services to small business concerns;

"(ix) one individual, appointed by the Administrator, who is representative of the interests of associations of small business concerns, other than small business concerns engaging in any of the activities described in clauses (v) through (viii); and

"(x) such additional qualified individuals, appointed by the Administrator, as the Administrator determines to be appropriate.

"(C) It shall be the function of the Task Force—

"(i) to define the nature and scope of computer crimes committed against small business concerns;

"(ii) to ascertain the effectiveness of State legislation, and available security equipment, in preventing computer crimes against small business concerns;

"(iii) in cooperation with the National Bureau of Standards, to develop guidelines to assist small business concerns in evaluating the security of computer systems; and

"(vi) to make recommendations to the Administrator with respect to the appropriate activities of the resource center established under paragraph (4).

"(D) The Administrator shall designate one of the members of the Task Force as its chairperson. The Task Force shall meet not less than once during 6-month period following the effective date of this paragraph, at the call of its chairperson. A majority of the members of the Task Force shall constitute a quorum.

"(E) Each member of the Task Force shall serve without additional pay, allowances, or benefits by reason of such service. To the extent and in the amounts provided in advance in appropriations Acts, each such member shall be reimbursed for actual expenses, including travel expenses, determined by the Administrator to have been reasonably incurred in the course of performing the functions vested in the Task Force.

"(F) The Administrator shall provide the Task Force with such staff and office facilities as the Administrator, following consultation with the Task Force, considers necessary to permit the Task Force to carry out its functions under this paragraph.

"(G) The Task Force may secure directly from any Federal agency information necessary to enable the Task Force to carry out its functions under this paragraph. Upon request of the chairperson of the Task Force, the head of such agency shall furnish such information to the Task Force.

"(H) Not later than 18 months after the effective date of this paragraph, the Task Force shall submit to the President, the Administrator, and the Congress a detailed report setting forth the findings of the Task Force with respect to the matters described in subparagraph (C) and containing such recommendations as the Task Force determines to be appropriate.

"(I) The Task Force shall terminate not later than 30 days after the submission of its report under subparagraph (H).

"(J) For purposes of this paragraph and paragraph (4)—

"(i) the term 'computer crime' means—

"(I) any crime committed against a small business concern by means of the use of a computer; and

"(II) any crime involving the illegal use of, or tampering with, a computer owned or utilized by a small business concern; and

"(ii) the term 'Task Force' means the Small Business Computer Crime and Security Task Force established under subparagraph (A).".

#### COMPUTER CRIME AND SECURITY INFORMATION

SEC. 4. Section 4(b) of the Small Business Act (15 U.S.C. 633(b)), as amended in section 3 of this Act, is amended by adding at the end thereof the following new paragraph:

"(4)(A) The Administrator shall—

"(i) provide to small business concerns information regarding—

"(I) computer crimes committed against small business concerns; and

"(II) security for computers owned or utilized by small business concerns; and

"(ii) provide for periodic regional forums for small business concerns to improve the exchange of information regarding the matters described in clause (i).

"(B) Not later than 60 days after receipt of the report of the Task Force under paragraph (3)(H), the Administrator shall establish as part of the Small Business Administration a resource center that will carry out the functions of the Administrator under subparagraph (A)(i).".

#### THE PURPOSE OF THE BILL

The purpose of the bill is to provide small businesses with information to help improve the management of their information technology, and to protect such technology from the criminal activity.

#### INTRODUCTION AND BACKGROUND

The use of computers by business has expanded rapidly over the last decade. As the cost and size of computer systems has diminished, their use by small business has multiplied. Along with the increased use of information systems has come the increased abuse of the new technology for criminal purposes. Small businesses are particularly vulnerable to computer crimes because of a lack of resources, skills and information necessary to adequately protect their system from computer criminals.

H.R. 3075, introduced by Mr. Wyden on May 19, 1983, is designed to provide small businesses with the information necessary to evaluate and improve their computer security.

Your Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Business held a hearing on the legislation on July 14, 1983, in Washington, D.C. Testifying in support of the bill were a representative of the computer software industry, a law enforcement official, authorities on computer crime, and a small businessman whose business had been victimized by a computer crime.

The legislation was considered by the Subcommittee on September 15, 1983. An amendment in the nature of a substitute, offered by Mr. Luken, was accepted by unanimous voice vote. The amendment incorporated several cost saving changes suggested by witnesses at the hearing and through informal discussions by the Members. No additional

amendments were offered, and the bill was reported as amended to the full committee by unanimous voice vote.

As the use of computers has grown, so has the incidence of computer crime. Estimates of the losses in the private sector are as high as \$1 billion annually, although accurately estimating losses is nearly impossible for several reasons. Victims are often reluctant to report crimes for fear of bad publicity. Also, computer crime statistics are reported, not as "computer crimes", but as ordinary white-collar crime (fraud, theft, embezzlement, etc.) This makes compilation of accurate computer crime statistics a very difficult, if not impossible, task.

Often, computer crimes are new ways of committing old crimes. Some of the more common types of computer crime are: theft of merchandise or property through the use of a computer, unauthorized use of someone else's computer, the theft, copyright infringement, or unauthorized destruction or alteration of computer stored information or programs, and financial crimes such as directing payments to phony suppliers or employees.

Your Subcommittee heard about one incident in which a family money order business lost over \$100,000 because an employee was able to use his knowledge of computers to create and cash phony money orders.

Small businesses are often more vulnerable to computer crimes than large businesses. Large businesses can have elaborate security procedures, and extensive internal and external auditing. Thus, computer crimes can often be detected relatively quickly. Quick detecting, together with contingency planning and good insurance, keep the cost of computer crime for large businesses relatively low.

Small businesses suffer from a number of disadvantages. They often lack the resources, or do not recognize the need for implementing computer security safeguards. They often cannot afford to hire security consultants. In addition, small businesses lack the in-house expertise to investigate computer crimes. Management may also lack the expertise to properly oversee a company's computer operations, thereby giving the programmer or operator a virtual free-hand. Some salesmen may not inform customers of the vulnerabilities of their computer related products in an effort to present those products in a favorable light.

After a computer crime is committed, the small businessman may not be able to rely on the criminal justice system for help. Law enforcement agencies at all levels are unprepared to meet the challenge of the computer crime problem. The judicial system is equally unprepared for this challenge. Law enforcement officials encourage the preventive approach which costs far less than the long investigation, complex prosecution, and incarceration involved in a successfully prosecuted case.

However, most computer crimes never reach the prosecution state. Crimes using computers are among the most difficult to detect, and many of these crimes go undiscovered.

Two forces are emerging to encourage small business owners to pay closer attention to computer security concerns. The first is the insurance industry, which is starting to vary premiums based on the amount of the insured's computer security, and the second is the growing computer security products industry. Current government research on computer security is directed primarily towards federal agencies. The

Task Force computer security guidelines, and the SBA sponsored forums and resource center called for in H.R. 3075 are designed to both educate and increase the awareness of the small businessperson to computer security problems.

#### WHAT THE BILL WOULD DO

The bill, H.R. 3075, contains Congressional findings that there is an increased dependency on information technology, including computers, in the small business community; that such technology has permitted and expanded criminal activity against small businesses; and that small businesses are not always able to protect their information technology from computer crime.

The bill's stated purposes are to improve small businesses management of their information technology and protect it from criminal activity.

##### I. ESTABLISHMENT OF TASK FORCE

The bill would direct the Administrator of the Small Business Administration, within sixty days, to establish a "Small Business Computer Crime and Security Task Force". The Task Force would consist of an employee of each of the following four departments who would be named by the Department head: the Small Business Administration, the Institute for Computer Sciences and Technology of the Department of Commerce, the Department of Justice and the Department of Defense; it would also consist of five other members, appointed by the Administrator of SBA, and who would be representative of each of the following groups: the providers of computer hardware to small business, the providers of computer software to small business, the providers of insurance to small business, the providers of computer security equipment and services to small business, and the general associations of small business concerns. In addition, the Administrator would be authorized to appoint such other members to the Task Force as he deemed appropriate.

##### II. FUNCTION OF TASK FORCE

The function of the Task Force would be to define the nature and scope of computer crimes committed against small business; to ascertain the effectiveness of state legislation and available security equipment in preventing computer crimes against small businesses; in cooperation with the National Bureau of Standards, to develop guidelines to assist small businesses in evaluating the security of computer systems; and to recommend to the Administrator appropriate activities of an on-going resource center to assist small business in combatting computer crime.

Within eighteen months, the Task Force would submit a report to the President, the Administrator and the Congress, and would cease to exist thirty days after submission of the report.

##### III. RESOURCE CENTER

Not later than sixty days of receipt of the Task Force report, the Administrator of the SBA would be required to establish a Resource Center which would provide to small businesses information regarding

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computer crimes and security for computers. The Administrator would also be directed to provide for periodic regional forums for small businesses to improve the exchange of information regarding these matters.

Your committee intends that the SBA will utilize its current resources to immediately make available computer security information to small businesses while awaiting the report of the Task Force.

**IV. CONCLUSION**

Your committee believes that the bill, H.R. 3075, the Small Business Computer Crime Prevention Act, is an inexpensive, common sense response to the growing problem of computer crime against small business.

This bill will enable small concerns to better evaluate the security of their computer systems so that the losses due to crimes committed by computer can be minimized.

**MATTERS REQUIRED To BE DISCUSSED UNDER HOUSE RULES**

In compliance with clause 2(l) (2) of rule XI of the House of Representatives, the following statement is made relative to the vote on the motion to report H.R. 3075:

A majority of the committee voted in person and was actually present and the motion was approved by a recorded vote of 30 ayes and no nays.

In compliance with clause 2(l) (3) of rule XI of the Rules of the House of Representatives, the following statements are made:

With regard to subdivision (A), relating to oversight findings, the committee finds, in keeping with clause 2(b)(1) of rule X, that this legislation is in full compliance with the provision of this rule of the House which states:

In addition, each such committee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee. \* \* \*

With regard to subdivision (B), relating to the statement required by section 308(a) of the Congressional Budget Act of 1974, the following statement is made relative to the legislation:

Section 3(a)(2) of the Congressional Budget Act defines the term "tax expenditures" as those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction, from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.

None of the provisions of H.R. 3075 deals with taxation and thus, in your committee's opinion, this bill does not provide new or increased tax expenditures.

Section 3(a)(2) of the Congressional Budget Act defined the term "budget authority" as authority provided by law to enter into obligations which will result in immediate or future outlays involving Government funds.

Under this definition, it is the final action of Congress that authorizes an agency to enter into obligations which constitutes new budget authority. In those cases which entail (1) an authorization for an agency to undertake a program; (2) an authorization for appropriation of funds to permit that agency to enter into obligations; and (3) an actual appropriation of such funds, it would be only the final action of Congress in appropriating funds which constitutes the budget authority.

None of the provisions of H.R. 3075 appropriates funds and thus, in your committee's opinion, the bill does not provide new budget authority. Accordingly, no comparison of budget authority, outlays or tax expenditures or 5-year projections have been made.

With regard to subdivisions (C) and (D), the cost estimate of the Director of the Congressional Budget Office relative to H.R. 3075 follows:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, D.C., October 13, 1983.*

Hon. PARREN J. MITCHELL,  
*Chairman, Committee on Small Business, U.S. House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 3075, the Small Business Computer Crime Prevention Act, as ordered reported by the House Committee on Small Business, October 4, 1983.

H.R. 3075 would establish a Small Business Computer Crime and Security Task Force, composed of representatives from the federal government and the private sector. The task force, under the direction of the Administrator of the Small Business Administration (SBA), would be required to report within 18 months to the President and the Congress regarding its findings and recommendations on computer crimes and security. The SBA would be required to provide necessary support staff and office facilities. Task force members would serve without pay, but would be reimbursed for actual expenses, including travel. Based on information provided by the SBA, and assuming a date of enactment around January 1, 1984, it is estimated that the cost of the task force would be approximately \$60,000 in each of the fiscal years 1984 and 1985. The estimated cost could be somewhat more or less, depending upon the number and location of meetings, as well as the scope of the annual report.

In addition, H.R. 3075 would require the SBA, upon completion of the report of the task force, to establish a resource center within SBA to provide small businesses information regarding computer crimes and safety. Although the organizational structure of the proposed resource center is not clear at this time, according to information from the SBA it is expected that approximately \$100,000 annually, beginning in fiscal year 1986, would be required to implement this provision.

Enactment of this bill would not affect the budget of state and local governments.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

RUDOLPH G. PENNER,  
*Director.*

No oversight findings or recommendations have been made by the Committee on Government Operations with respect to the subject matter contained in H.R. 3075.

In compliance with clause 2(l) (4) the committee concludes that the provisions of this legislation in and of themselves will have no inflationary impact on prices and costs in the operation of the national economy.

In compliance with clause 7, rule XIII of the House of Representatives, the committee makes the following statement:

The costs attributable to this bill for the current fiscal year and for fiscal years 1985-89 are as follows: It is expected that the Task Force will exist for two years at a cost of some \$60,000 per year. At that time, the on-going costs are estimated at some \$100,000 per year to disseminate information to the small business community. Thus, the committee estimates the cost of the bill at approximately \$500,000. No new or additional authorization or appropriation is being provided and it is fully expected that the costs will be paid from the SBA's overall budget.

No cost estimate was submitted by any Government agency on H.R. 3075 to your committee.

In your committee's opinion, the above statements fully comply with the Rules of the House of Representatives.

#### **SECTION-BY-SECTION ANALYSIS**

Section 1 provides that this Act may be cited as the "Small Business Computer Crime Prevention Act".

Section 2(a) includes Congressional findings that:

- (1) there is an increased dependency on, and proliferation of, information technology (including computers, data networks, and other communication devices) in the small business community;
- (2) such technology has permitted and expanded criminal activity against small business concerns; and
- (3) small business concerns are not always able to protect their information technology from computer criminals.

Section 2(b) states that the purposes of the Act are:

- (1) to improve the management by small business concerns of their information technology; and
- (2) to encourage small business concerns to protect such technology from criminal activity.

Section 3 amends section 4(b) of the Small Business Act by adding a new paragraph requiring the Administrator of SBA, within sixty days, to establish a Task Force to be known as the "Small Business Computer Crime and Security Task Force."

The new section 4(b)(3)(B) would designate membership on the Task Force as follows:

- (i) an employee of the Small Business Administration, appointed by the Administrator;
- (ii) an employee of the Institute for Computer Sciences and Technology of the Department of Commerce, appointed by the Secretary of Commerce;
- (iii) an employee of the Department of Justice, appointed by the Attorney General;
- (iv) an employee of the Department of Defense, appointed by the Secretary of Defense;
- (v) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer hardware to small business concerns;
- (vi) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer software to small business concerns;
- (vii) one individual, appointed by the Administrator, who is representative of the interests of the providers of insurance to small business concerns;
- (viii) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer security equipment and services to small business concerns;
- (ix) one individual, appointed by the Administrator, who is representative of the interests of the associations of small business concerns, other than small business concerns engaging in any of the activities described in clauses (v) through (viii); and
- (x) such additional qualified individuals, appointed by the Administrator, as the Administrator determines to be appropriate.

The new 4(b)(3)(C) would provide that it is the function of the Task Force:

- (i) to define the nature and scope of computer crimes committed against small business concerns;
- (ii) to ascertain the effectiveness of State legislation, and available security equipment, in preventing computer crimes against small business concerns;
- (iii) in cooperation with the National Bureau of Standards, to develop guidelines to assist small business concerns in evaluating the security of computer systems; and
- (iv) to make recommendations to the Administrator with respect to the appropriate activities of the resource center established under paragraph (4).

The new 4(b)(3)(D) requires the Administrator to designate one of the members of the Task Force as its chairperson. The Task Force would be required to meet not less than once during every six-month period, at the call of the chairperson, with a majority of the members constituting a quorum.

The new 4(b)(3)(E) provides the Task Force members will serve without additional pay, but would be reimbursed for actual expenses reasonably incurred.

The new 4(b)(3)(F) requires the Administrator to provide the Task Force with staff and office facilities.

The new 4(b)(3)(G) authorizes the Task Force to secure information from any Federal agency.

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The new 4(b)(3)(H) requires the Task Force, within eighteen months, to submit to the President, the Administrator and the Congress a detailed report on the findings of the Task Force as described in the new subparagraph (C) and such recommendations as it determines to be appropriate.

The new 4(b)(3)(I) terminates the Task Force not later than thirty days after submission of its report.

The new 4(b)(3)(J) contains definitions as follows:

- (i) the term "computer crime" means—
  - (I) any crime committed against a small business concern by means of the use of a computer; and
  - (II) any crime involving the illegal use of, or tampering with, a computer owned or utilized by a small business concern; and
- (ii) the term "Task Force" means the Small Business Computer Crime and Security Task Force established under subparagraph (A).

Section 4 further amends section 4(b) of the Small Business Act by adding a new paragraph (4)(A) which requires the Administrator of SBA to:

- (i) provide to small business concerns information regarding:
  - (I) computer crimes committed against small business concerns; and
  - (II) security for computers owned or utilized by small business concerns; and
- (ii) provide for periodic regional forums for small business concerns to improve the exchange of information regarding the matters described in clause (i).

The new Section 4(b)(4)(B) requires the Administrator, within sixty days after receipt of the Task Force report, to establish a Resource Center that will carry out the functions of the Administrator under section 4(b)(4)(A)(i).

**CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED**

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

**SECTION 4 OF THE SMALL BUSINESS ACT**

SEC. 4. (a) In order to carry out the policies of this Act there is hereby created an agency under the name "Small Business Administration" (herein referred to as the Administration), which Administration shall be under the general direction and supervision of the President and shall not be affiliated with or be within any other agency or department of the Federal Government. The principal office of the Administration shall be located in the District of Columbia. The Administration may establish such branch and regional offices in other places in the United States as may be determined by the Administrator of the Administration. As used in this Act, the term "United States" includes the several States, the Territories and possessions of the United States, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and the District of Columbia.

(b) (1) The management of the Administration shall be vested in an Administrator who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall be a person of outstanding qualifications known to be familiar and sympathetic with small-business needs and problems. The Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator. In carrying out the programs administered by the Small Business Administration including its lending and guaranteeing functions, the Administrator shall not discriminate on the basis of sex or marital status against any person or small business concern applying for or receiving assistance from the Small Business Administration, and the Small Business Administration shall give special consideration to veterans of the Armed Forces of the United States and their survivors or dependents. The Administration is authorized to appoint a Deputy Administrator and four Associate Administrators (including the Associate Administrator specified in section 201 of the Small Business Investment Act of 1958) to assist in the execution of the functions vested in the Administration.<sup>1</sup> One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and Capitol Ownership Development and shall be responsible to the Administrator for the formulation and execution of the policies and programs under sections 7(j) and 8(a) of this Act which provide assistance to minority small business concerns.

(2) The Administrator also shall be responsible for—

(A) establishing and maintaining an external small business economic data base for the purpose of providing the Congress and the Administration information on the economic condition and the expansion or contraction of the small business sector. To that end, the Administrator shall publish on a regular basis national small business economic indices and, to the extent feasible, regional small business economic indices, which shall include, but need not be limited to, data on—

- (i) employment, layoffs, and new hires;
- (ii) number of business establishments and the types of such establishments such as sole proprietorships, corporations, and partnerships;
- (iii) number of business formations and failures;
- (iv) sales and new orders;
- (v) back orders;
- (vi) investment in plant and equipment;
- (vii) changes in inventory and rate of inventory turnover;
- (viii) sources and amounts of capital investment, including debt, equity, and internally generated funds;
- (ix) debt to equity ratios;
- (x) exports;
- (xi) number and dollar amount of mergers and acquisitions by size of acquiring and acquired firm; and
- (xii) concentration ratios; and

(B) publishing annually a report giving a comparative analysis and interpretation of the historical trends of the small business sector as reflected by the data acquired pursuant to subparagraph (A) of this subsection.

(3) (A) The Administrator shall, not later than 60 days after the effective date of this paragraph, establish a task force to be known as the "Small Business Computer Crime and Security Task Force".

(B) The Task Force shall consist of the following members:

(i) an employee of the Small Business Administration, appointed by the Administrator;

(ii) an employee of the Institute for Computer Sciences and Technology of the Department of Commerce, appointed by the Secretary of Commerce;

(iii) an employee of the Department of Justice, appointed by the Attorney General;

(iv) an employee of the Department of Defense, appointed by the Secretary of Defense;

(v) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer hardware to small business concerns;

(vi) one individual appointed, by the Administrator, who is representative of the interests of the providers of computer software to small business concerns;

(vii) one individual, appointed by the Administrator, who is representative of the interests of the providers of insurance to small business concerns;

(viii) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer security equipment and services to small business concerns;

(ix) one individual, appointed by the Administrator, who is representative of the interests of associations of small business concerns, other than small business concerns engaging in any of the activities described in clauses (v) through (viii); and

(x) such additional qualified individuals, appointed by the Administrator, as the Administrator determines to be appropriate.

(C) It shall be the function of the Task Force—

(i) to define the nature and scope of computer crimes committed against small business concerns;

(ii) to ascertain the effectiveness of State legislation, and available security equipment, in preventing computer crimes against small business concerns;

(iii) in cooperation with the National Bureau of Standards, to develop guidelines to assist small business concerns in evaluating the security of computer systems; and

(iv) to make recommendations to the Administrator with respect to the appropriate activities of the resource center established under paragraph (4).

(D) The Administrator shall designate one of the members of the Task Force as its chairperson. The Task Force shall meet not less than once during each 6-month period following the effective date of this paragraph, at the call of its chairperson. A majority of the members of the Task Force shall constitute a quorum.

(E) Each member of the Task Force shall serve without additional pay, allowances, or benefits by reason of such service. To the extent and in the amounts provided in advance in appropriations Acts, each such member shall be reimbursed for actual expenses, including travel

*expenses, determined by the Administrator to have been reasonably incurred in the course of performing the functions vested in the Task Force.*

(F) The Administrator shall provide the Task Force with such staff and office facilities as the Administrator, following consultation with the Task Force, considers necessary to permit the Task Force to carry out its functions under this paragraph.

(G) The Task Force may secure directly from any Federal agency information necessary to enable the Task Force to carry out its functions under this paragraph. Upon request of the chairperson of the Task Force, the head of such agency shall furnish such information to the Task Force.

(H) Not later than 18 months after the effective date of this paragraph, the Task Force shall submit to the President, the Administrator, and the Congress a detailed report setting forth the findings of the Task Force with respect to the matters described in subparagraph (C) and containing such recommendations as the Task Force determines to be appropriate.

(I) The Task Force shall terminate not later than 30 days after the submission of its report under subparagraph (H).

(J) For purposes of this paragraph and paragraph (4)—

(i) the term "computer crime" means—

(I) any crime committed against a small business concern by means of the use of a computer; and

(II) any crime involving the illegal use of, or tampering with, a computer owned or utilized by a small business concern; and

(ii) the term "Task Force" means the Small Business Computer Crime and Security Task Force established under subparagraph (A).

(4)(A) The Administrator shall—

(i) provide to small business concerns information regarding—  
(I) computer crimes committed against small business concerns; and

(II) security for computers owned or utilized by small business concerns; and

(ii) provide for periodic regional forums for small business concerns to improve the exchange of information regarding the matters described in clause (i).

(B) Not later than 60 days after receipt of the report of the Task Force under paragraph (3)(H), the Administrator shall establish as part of the Small Business Administration a resource center that will carry out the functions of the Administrator under subparagraph (A)(i).

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October 4, 1983

## CONGRESSIONAL RECORD — SENATE

S 13559

and the great winter at Valley Forge were only months away. John Adams wrote:

I have spent an hour this morning in the congregation of the dead. I took a walk in the "Potter's Field" (a burying place between the new stone prison and the hospital) and I never in my whole life was so affected with melancholy. The graves of the soldiers who have been buried in this ground from the hospital to the bettering-house during the course of the last summer, fall, and winter, dead of the small-pox and cause-diseases are enough to make the heart of a stone to melt away. The sexton told me that upwards of 2,000 soldiers had been buried there; and by appearance of the grass and trenches, it is most probable that he speak within bounds.

The Potter's Field of which Adams wrote is now Washington Square, and the soldiers who died of illness and wounds were from Washington's Army brought to Philadelphia following the heavy fighting in New Jersey.

Washington is as old as Philadelphia itself; and yet, it has enjoyed more obscurity than celebrated attention. In 1815, it was turned into a park, and trees were planted by the French botanist, Francois Andre Michaux. In 1825, the city commissioners renamed it Washington Square, and a movement ensued to erect a memorial in the square to Washington. Money was collected in 1833 and a cornerstone for the memorial was laid in the center of the square.

Washington Square received brief notoriety in 1870 when it was proposed that the new city hall should be erected either on Washington Square or Penn Square. Penn Square was selected by ballot vote and Washington Square became, once again, a remote site of little-known historical significance.

In 1915, local residents initiated another movement to improve the square. A census of trees taken by botanical scholars in Washington Square showed that there were some 104 varieties, many of which are rare to Philadelphia. Still, the movement was not sustained for Washington Square's restoration.

Finally, in 1952, plans were made for the creation of the memorial to the unknown soldiers of the American Revolution, and the park has been maintained by concerned Philadelphians since that time. Today, the national recognition which Washington Square deserves can best be achieved with passage of this bill to include it within Independence National Historical Park.

My bill, a companion to House legislation introduced by Congressman TOM FOGLIETTA, would provide that ownership of Washington Square be retained by the Fairmount Park Commission. The Fairmount Park Commission would retain full review powers over the use of Washington Square as well as over any significant restoration or change of design so as to avoid any diminution in the commission's traditional oversight responsibilities. Fur-

ther, it would expand the memorial honoring the unknown soldiers of the War for American Independence. Lastly, the bill would authorize funding for the National Park Service to properly maintain the square for the benefit of the visitors each year.

Total cost requirements to bring the area up to the physical and esthetic standards of Independence National Historical Park are estimated at \$2,243,725. The cost includes repairs and rehabilitation of benches, walks, utilities, irrigation, and maintenance. The amount of annual operating costs, including security and personnel, is estimated at \$153,400.

On July 23, 1983, the House Interior and Insular Affairs Subcommittee on Public Lands and National Parks held hearings in Philadelphia where Congressman FOGLIETTA and others testified regarding the need for this legislation. Further hearings are scheduled and I urge the Senate to address this matter in the near future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1919

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the establishment of the Independence National Historical Park, and for other purposes", approved June 28, 1948 (62 Stat. 1061; 16 U.S.C. 407m et seq.), is amended by adding the following new section at the end thereof:*

"Sec. 8. (a) The area known as 'Washington Square' (bounded generally by Walnut Street on the northside, Sixth Street on the eastside, and the intersecting streets named 'Washington Square' on the westside and southside) is hereby included within the Independence National Historical Park, Philadelphia, Pennsylvania.

"(b) The Secretary of the Interior is authorized to enter into a cooperative agreement with the city of Philadelphia (acting through its designated agency, the Fairmount Park Commission) under which—

"(1) the Secretary may occupy the Washington Square area included in the park under subsection (a) for the purpose of preserving, exhibiting, and interpreting the Square's historical significance to the American people;

"(2) the Secretary shall have responsibility for the care and maintenance of such area including any memorial, monument, or display placed in such area for historical or educational purposes;

"(3) the Secretary shall be prohibited from subletting or assigning to another person or organization any part of the Washington Square area without prior approval in writing by the city of Philadelphia;

"(4) the Secretary will operate and maintain the Washington Square area (including all monuments and exhibits in the area) and make all repairs thereto, including repairs necessary by reason of ordinary wear and tear; and undertake such work and restoration or major alteration as may be agreed to with the city of Philadelphia;

"(5) the Secretary will apply such reasonable rules and regulations as are necessary

to perform his functions properly, and will exercise reasonable care to prevent damage to, or the destruction of, any part of the grounds or the memorials, monuments, and exhibits located in the Washington Square area, and provide public access to the grounds and monuments, memorials, and exhibits at all reasonable times; and

"(6) neither party to such cooperative agreement will erect or place, or permit the erection or emplacement of any monument, marker, tablet, or other memorial upon the grounds without the written consent of the other party.

Notwithstanding any other provision of this Act, ownership of the Washington Square area shall be retained by the city of Philadelphia. No work of restoration or any major alterations or repairs to any part of the grounds or monuments, memorials, or exhibits within the Washington Square area may be undertaken by the Secretary of the Interior until the plans for such work have been mutually agreed to by the city of Philadelphia (acting through its designated agency, the Fairmount Park Commission).

"(c) Effective October 1, 1983, there is authorized to be appropriated to the Secretary of the Interior not more than \$1,000,000 to be used for brickwork and paving in the Washington Square area, and such additional sums as may be necessary to operate and maintain the Washington Square area.

"(d) The Secretary shall appoint a three member commission to recommend to the Congress an appropriate monument or memorial to honor the unknown dead of the American Revolution. Membership on such commission shall consist of (1) a representative of the National Park Service, (2) a representative of the city of Philadelphia, and (3) a representative of the public, agreed to by the city of Philadelphia. Members shall serve on the Commission without compensation. Among the memorials to be considered by the Commission should be an Honor Guard of the Armed Services of the United States. The National Park Service is authorized to provide reasonable and necessary secretarial and clerical support for the Commission."

By Mr. TSONGAS (for himself and Mr. Nunn):

S. 1920. A bill to amend the Small Business Act to establish a Small Business Computer Crime and Security Task Force, and for other purposes; to the Committee on Small Business.

SMALL BUSINESS COMPUTER CRIME PREVENTION ACT

• Mr. TSONGAS. Mr. President, the bill I am introducing today, the Small Business Computer Crime Prevention Act, would aid in protecting America's small business from the growing threat of computer crime. This bill is a companion measure to H.R. 3075, which has been introduced in the House by Hon. RON WYDEN, of Oregon, and was reported by the House Small Business Committee today.

Small business is of obvious and enormous importance to our economy. It accounts for more than a third of our gross national product, for virtually all of the private sector employment growth, and for at least half of all innovations.

In recent months there has been much publicity surrounding the issue of computer crime. While the defini-

S 13560

## CONGRESSIONAL RECORD — SENATE

October 4, 1983

tion of computer crime varies, it involves theft of information, and unauthorized alteration of records, and damage to computer systems themselves. Computer crime is an issue of growing importance to the small business community, as the use of computerized accounting and management systems becomes widespread among small businesses eager to save costs and improve productivity. But because small businesses—and particularly high technology small businesses—are attractive targets for computer criminals, the introduction of computers could be inhibited unless small business can effectively secure their computer systems.

Congress and the administration have devoted considerable attention to the issues of computer security and information management as they relate to the operations of the Federal Government. The issues arise especially where there are national security concerns.

But the phenomenon of computer crime as it affects the small business community has not yet been assessed. There has been little or no study on how computer crime specifically harms small businesses. Yet, small businesses are more likely to be affected by computer crime because they have fewer resources available to protect themselves against it.

The purpose of this bill is to establish, within the Small Business Administration, the Small Business Computer Crime and Security Task Force. This task force would inquire into computer crime committed against small business, evaluate the technical and legal means for preventing and combating computer crimes, and develop guidelines for enhancing the security of computer systems in cooperation with the National Bureau of Standards. The task force would report its findings and recommendations to the Administrator within 18 months. The bill also calls for the establishment of a resource center to provide information on computer crimes and on computer security technology available to the small business community. The resource center would serve as a clearinghouse to transfer computer security technology developed for the Federal Government.

Mr. President, in the interest of strengthening security in an emerging technological area of vital importance to small business, I urge the speedy passage of this bill. I ask unanimous consent that the text of the bill be printed in the RECORD in full.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1920

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Computer Crime Prevention Act".

## FINDINGS AND PURPOSES

Sec. 2. (a) The Congress hereby finds that—

(1) there is an increased dependency on, and proliferation of, information technology (including computers, data networks, and other communication devices) in the small business community;

(2) such technology has permitted and expanded criminal activity against small business concerns; and

(3) small business concerns are not always able to protect their information technology from computer criminals.

(b) The purposes of this Act are—

(1) to improve the management by small business concerns of their information technology; and

(2) to encourage small business concerns to protect such technology from criminal activity.

## COMPUTER CRIME AND SECURITY TASK FORCE

Sec. 3. Section 4(b) of the Small Business Act (15 U.S.C. 633(b)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) The Administrator shall, not later than the 60 days after the effective date of this paragraph, establish a task force to be known as the 'Small Business Computer Crime and Security Task Force'.

"(B) The Task Force shall consist of the following members:

"(i) an employee of the Small Business Administration, appointed by the Administrator;

"(ii) an employee of the Institute for Computer Sciences and Technology of the Department of Commerce, appointed by the Secretary of Commerce;

"(iii) an employee of the Department of Justice, appointed by the Attorney General;

"(iv) an employee of the Department of Defense, appointed by the Secretary of Defense;

"(v) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer hardware to small business concerns;

"(vi) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer software to small business concerns;

"(vii) one individual, appointed by the Administrator, who is representative of the interests of the providers of insurance to small business concerns;

"(viii) one individual, appointed by the Administrator, who is representative of the interests of the providers of computer security equipment and services to small business concerns;

"(ix) one individual, appointed by the Administrator, who is representative of the interests of associations of small business concerns, other than small business concerns engaging in any of the activities described in clauses (v) through (viii); and

"(x) such additional qualified individuals, appointed by the Administrator, as the Administrator determines to be appropriate.

"(C) It shall be the function of the Task Force—

"(i) to define the nature and scope of computer crimes committed against small business concerns;

"(ii) to ascertain the effectiveness of State legislation, and available security equipment, in preventing computer crimes against small business concerns;

"(iii) in cooperation with the National Bureau of Standards, to develop guidelines

to assist small business concerns in evaluating the security of computer systems; and

"(iv) to make recommendations to the Administrator with respect to the appropriate activities of the resource center established under paragraph (4).

"(D) The Administrator shall designate one of the members of the Task Force as its chairperson. The Task Force shall meet not less than once during each 6-month period following the effective date of this paragraph, at the call of its chairperson. A majority of the members of the Task Force shall constitute a quorum.

"(E) Each member of the Task Force shall serve without additional pay, allowances, or benefits by reason of such service. Each such member shall be reimbursed for actual expenses, including travel expenses, determined by the Administrator to have been reasonably incurred in the course of performing the functions vested in the Task Force.

"(F) The Administrator shall provide the Task Force with such staff and office facilities as the Administrator, following consultation with the Task Force, considers necessary to permit the Task Force to carry out its functions under this paragraph.

"(G) The Task Force may secure directly from any Federal agency information necessary to enable the Task Force to carry out its functions under this paragraph. Upon request of the chairperson of the Task Force, the head of such agency shall furnish such information to the Task Force.

"(H) Not later than 18 months after the effective date of this paragraph, the Task Force shall submit to the President, the Administrator, and the Congress a detailed report setting forth the findings of the Task Force with respect to the matters described in subparagraph (C) and containing such recommendations as the Task Force determines to be appropriate.

"(I) The Task Force shall terminate not later than 30 days after the submission of its report under subparagraph (H).

"(J) For purposes of this paragraph and paragraph (4)—

"(i) the term 'computer crime' means—

"(II) any crime committed against a small business concern by means of the use of a computer; and

"(III) any crime involving the illegal use of, or tampering with, a computer owned or utilized by a small business concern; and

"(ii) the term 'Task Force' means the Small Business Computer Crime and Security Task Force established under subparagraph (A)."

## COMPUTER CRIME AND SECURITY INFORMATION

Sec. 4. Section 4(b) of the Small Business Act (15 U.S.C. 633(b)), as amended in section 3 of this Act, is amended by adding at the end thereof the following new paragraph:

"(4)(A) The Administrator shall—

"(i) provide to small business concerns information regarding—

"(I) computer crimes committed against small business concerns; and

"(II) security for computers owned or utilized by small business concerns; and

"(ii) provide for periodic regional forums for small business concerns to improve the exchange of information regarding the matters described in clause (i).

"(B) Not later than 60 days after receipt of the report of the Task Force under paragraph (3)(H), the Administrator shall establish as part of the Small Business Administration a resource center that will carry out the functions of the administrator under subparagraph (A)(i)."

27 OCT 1983

I

98TH CONGRESS  
1ST SESSION

# H. R. 3075

[Report No. 98-423, Part I]

To amend the Small Business Act to establish a Small Business Computer Crime and Security Task Force, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1983

Mr. WYDEN introduced the following bill; which was referred jointly to the Committees on Small Business and the Judiciary

OCTOBER 20, 1983

Additional sponsors: Mr. MITCHELL, Mr. MCGRATH, Mr. CORRADA, Mr. GOODLING, Mr. GEJDENSON, Mr. WON PAT, Mr. FRENZEL, Mr. LAFALCE, Mr. LEVIN of Michigan, Mr. CONYERS, Mr. PATTERSON, Mr. RATCHFORD, Mr. ACKERMAN, Mr. TALLON, Mr. McDADE, Mr. LUKEN, Mr. BILIRAKIS, Mr. WILLIAMS of Ohio, Mr. SMITH of New Jersey, Mr. CONTE, Mr. WEBER, Mr. SISISKY, and Mr. BROOMFIELD.

OCTOBER 20, 1983

Reported from the Committee on Small Business with an amendment and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on May 19, 1983]

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## A BILL

To amend the Small Business Act to establish a Small Business Computer Crime and Security Task Force, and for other purposes.

- 1      *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

1 *SHORT TITLE*

2        *SECTION 1. This Act may be cited as the “Small Busi-*  
3        *ness Computer Crime Prevention Act”.*

## 4 *FINDINGS AND PURPOSES*

5        *SEC. 2. (a) The Congress hereby finds that—*

15 (b) *The purposes of this Act are—*

16                   (1) to improve the management by small business  
17                   concerns of their information technology; and

20 COMPUTER CRIME AND SECURITY TASK FORCE

21        *SEC. 3. Section 4(b) of the Small Business Act (15*  
22 *U.S.C. 633(b)) is amended by adding at the end thereof the*  
23 *following new paragraph:*

24        "(3)(A) The Administrator shall, not later than sixty  
25 days after the effective date of this paragraph, establish a

1 task force to be known as the 'Small Business Computer  
2 Crime and Security Task Force'.

3 "(B) The Task Force shall consist of the following  
4 members:

5 "(i) an employee of the Small Business Adminis-  
6 tration, appointed by the Administrator;

7 "(ii) an employee of the Institute of Computer  
8 Sciences and Technology of the Department of Com-  
9 merce, appointed by the Secretary of Commerce;

10 "(iii) an employee of the Department of Justice,  
11 appointed by the Attorney General;

12 "(iv) an employee of the Department of Defense,  
13 appointed by the Secretary of Defense;

14 "(v) one individual, appointed by the Administra-  
15 tor, who is representative of the interests of the provid-  
16 ers of computer hardware to small business concerns;

17 "(vi) one individual, appointed by the Adminis-  
18 trator, who is representative of the interests of the pro-  
19 viders of computer software to small business concerns;

20 "(vii) one individual, appointed by the Adminis-  
21 trator, who is representative of the interests of the pro-  
22 viders of insurance to small business concerns;

23 "(viii) one individual, appointed by the Adminis-  
24 trator, who is representative of the interests of the pro-

1        *viders of computer security equipment and services to*  
2        *small business concerns;*

3            *"(ix) one individual, appointed by the Adminis-*  
4        *trator, who is representative of the interests of associ-*  
5        *ations of small business concerns, other than small*  
6        *business concerns engaging in any of the activities de-*  
7        *scribed in clauses (v) through (viii); and*

8            *"(x) such additional qualified individuals, ap-*  
9        *pointed by the Administrator, as the Administrator de-*  
10        *termines to be appropriate.*

11        *"(C) It shall be the function of the Task Force—*

12            *"(i) to define the nature and scope of computer*  
13        *crimes committed against small business concerns;*

14            *"(ii) to ascertain the effectiveness of State legisla-*  
15        *tion, and available security equipment, in preventing*  
16        *computer crimes against small business concerns;*

17            *"(iii) in cooperation with the National Bureau of*  
18        *Standards, to develop guidelines to assists small busi-*  
19        *ness concerns in evaluating the security of computer*  
20        *systems; and*

21            *"(iv) to make recommendations to the Administra-*  
22        *tor with respect to the appropriate activities of the re-*  
23        *source center established under paragraph (4).*

24        *"(D) The Administrator shall designate one of the mem-*  
25        *bers of the Task Force as its chairperson. The Task Force*

1 shall meet not less than once during each six-month period  
2 following the effective date of this paragraph, at the call of its  
3 chairperson. A majority of the members of the Task Force  
4 shall constitute a quorum.

5 "(E) Each member of the Task Force shall serve with-  
6 out additional pay, allowances, or benefits by reason of such  
7 service. To the extent and in the amounts provided in ad-  
8 vance in appropriations Acts, each such member shall be re-  
9imbursed for actual expenses, including travel expenses, de-  
10 termined by the Administrator to have been reasonably in-  
11 curred in the course of performing the functions vested in the  
12 Task Force.

13 "(F) The Administrator shall provide the Task Force  
14 with such staff and office facilities as the Administrator, fol-  
15 lowing consultation with the Task Force, considers necessary  
16 to permit the Task Force to carry out its functions under this  
17 paragraph.

18 "(G) The Task Force may secure directly from any  
19 Federal agency information necessary to enable the Task  
20 Force to carry out its functions under this paragraph. Upon  
21 request of the chairperson of the Task Force, the head of such  
22 agency shall furnish such information to the Task Force.

23 "(H) Not later than eighteen months after the effective  
24 date of this paragraph, the Task Force shall submit to the  
25 President, the Administrator, and the Congress a detailed

1 *report setting forth the findings of the Task Force with re-*  
2 *spect to the matters described in subparagraph (C) and con-*  
3 *taining such recommendations as the Task Force determines*  
4 *to be appropriate.*

5 *“(I) The Task Force shall terminate not later than*  
6 *thirty days after the submission of its report under subpara-*  
7 *graph (H).*

8 *“(J) For purposes of this paragraph and paragraph*  
9 *(4)—*

10 *“(i) the term ‘computer crime’ means—*

11 *“(I) any crime committed against a small*  
12 *business concern by means of the use of a comput-*  
13 *er; and*

14 *“(II) any crime involving the illegal use of,*  
15 *or tampering with, a computer owned or utilized*  
16 *by a small business concern; and*

17 *“(ii) the term ‘Task Force’ means the Small*  
18 *Business Computer Crime and Security Task Force*  
19 *established under subparagraph (A).”.*

20 **COMPUTER CRIME AND SECURITY INFORMATION**

21 *SEC. 4. Section 4(b) of the Small Business Act (15*  
22 *U.S.C. 633(b)), as amended in section 3 of this Act, is*  
23 *amended by adding at the end thereof the following new para-*  
24 *graph:*

25 *“(4)(A) The Administrator shall—*

1           “(i) provide to small business concerns informa-  
2           tion regarding—

3           “(I) computer crimes committed against  
4           small business concerns; and

5           “(II) security for computers owned or utili-  
6           lized by small business concerns; and

7           “(ii) provide for periodic regional forums for  
8           small business concerns to improve the exchange of in-  
9           formation regarding the matters described in clause (i).

10          “(B) Not later than sixty days after receipt of the report  
11          of the Task Force under paragraph (3)(H), the Administrator  
12          shall establish as part of the Small Business Administration  
13          a resource center that will carry out the functions of the Ad-  
14          ministrator under subparagraph (A)(i). ”.

○

98TH CONGRESS  
1ST SESSION

S. 1920

To amend the Small Business Act to establish a Small Business Computer Crime and Security Task Force, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 4 (legislative day, OCTOBER 3), 1983

**Mr. TSONGAS** (for himself and Mr. NUNN) introduced the following bill; which was read twice and referred to the Committee on Small Business

# A BILL

To amend the Small Business Act to establish a Small Business Computer Crime and Security Task Force, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

**SHORT TITLE**

4 SECTION 1. This Act may be cited as the "Small Busi-  
5 ness Computer Crime Prevention Act".

## FINDINGS AND PURPOSES

7 SEC. 2. (a) The Congress hereby finds that—

1       ers, data networks, and other communication devices)  
2       in the small business community;

3           (2) such technology has permitted and expanded  
4       criminal activity against small business concerns; and

5           (3) small business concerns are not always able to  
6       protect their information technology from computer  
7       criminals.

8       (b) The purposes of this Act are—

9           (1) to improve the management by small business  
10      concerns of their information technology; and

11           (2) to encourage small business concerns to pro-  
12      tect such technology from criminal activity.

13       **COMPUTER CRIME AND SECURITY TASK FORCE**

14       SEC. 3. Section 4(b) of the Small Business Act (15  
15      U.S.C. 633(b)) is amended by adding at the end thereof the  
16      following new paragraph:

17           “(3)(A) The Administrator shall, not later than sixty  
18      days after the effective date of this paragraph, establish a  
19      task force to be known as the Small Business Computer  
20      Crime and Security Task Force.

21           “(B) The task force shall consist of the following  
22      members:

23           “(i) an employee of Small Business Administra-  
24      tion, appointed by the Administrator;

1               “(ii) an employee of the Institute for Computer  
2               Sciences and Technology of the Department of Com-  
3               merce, appointed by the Secretary of Commerce;

4               “(iii) an employee of the Department of Justice,  
5               appointed by the Attorney General;

6               “(iv) an employee of the Department of Defense,  
7               appointed by the Secretary of Defense;

8               “(v) one individual, appointed by the Administra-  
9               tor, who is representative of the interests of the provid-  
10               ers of computer hardware to small business concerns;

11               “(vi) one individual, appointed by the Administra-  
12               tor, who is representative of the interests of the provid-  
13               ers of computer software to small business concerns;

14               “(vii) one individual, appointed by the Administra-  
15               tor, who is representative of the interests of the provid-  
16               ers of insurance to small business concerns;

17               “(viii) one individual, appointed by the Adminis-  
18               trator, who is representative of the interests of the pro-  
19               viders of computer security equipment and services to  
20               small business concerns;

21               “(ix) one individual, appointed by the Administra-  
22               tor, who is representative of the interests of associ-  
23               ations of small business concerns, other than small  
24               business concerns engaging in any of the activities de-  
25               scribed in clauses (v) through (viii); and

1               “(x) such additional qualified individuals, appointed  
2        by the Administrator, as the Administrator determines to be appropriate.

4               “(C) It shall be the function of the task force—

5               “(i) to define the nature and scope of computer  
6        crimes committed against small business concerns;

7               “(ii) to ascertain the effectiveness of State legislation,  
8        and available security equipment, in preventing  
9        computer crimes against small business concerns;

10               “(iii) in cooperation with the National Bureau of  
11        Standards, to develop guidelines to assist small business concerns in evaluating the security of computer  
12        systems; and

14               “(iv) to make recommendations to the Administrator with respect to the appropriate activities of the resource center established under paragraph (4).

17               “(D) The Administrator shall designate one of the members of the task force as its chairperson. The task force shall  
18        meet not less than once during each six-month period following the effective date of this paragraph, at the call of its  
19        chairperson. A majority of the members of the task force  
20        shall constitute a quorum.

23               “(E) Each member of the task force shall serve without  
24        additional pay, allowances, or benefits by reason of such  
25        service. Each such member shall be reimbursed for actual

1 expenses, including travel expenses, determined by the Ad-  
2 ministrator to have been reasonably incurred in the course of  
3 performing the functions vested in the task force.

4       “(F) The Administrator shall provide the task force with  
5 such staff and office facilities as the Administrator, following  
6 consultation with the task force, considers necessary to  
7 permit the task force to carry out its functions under this  
8 paragraph.

9       “(G) The task force may secure directly from any Fed-  
10 eral agency information necessary to enable the task force to  
11 carry out its functions under this paragraph. Upon request of  
12 the chairperson of the task force, the head of such agency  
13 shall furnish such information to the task force.

14       “(H) Not later than eighteen months after the effective  
15 date of this paragraph, the task force shall submit to the  
16 President, the Administrator, and the Congress a detailed  
17 report setting forth the findings of the task force with respect  
18 to the matters described in subparagraph (C) and containing  
19 such recommendations as the task force determines to be ap-  
20 propriate.

21       “(I) The task force shall terminate not later than thirty  
22 days after the submission of its report under subparagraph  
23 (H).

24       “(J) For purposes of this paragraph and paragraph (4)—  
25           “(i) the term ‘computer crime’ means—

1                   “(I) any crime committed against a small  
2                   business concern by means of the use of a com-  
3                   puter; and

4                   “(II) any crime involving the illegal use of,  
5                   or tampering with, a computer owned or utilized  
6                   by a small business concern; and

7                   “(ii) the term ‘task force’ means the Small Busi-  
8                   ness Computer Crime and Security Task Force estab-  
9                   lished under subparagraph (A).”.

10                  **COMPUTER CRIME AND SECURITY INFORMATION**

11                  SEC. 4. Section 4(b) of the Small Business Act (15  
12 U.S.C. 633(b)), as amended in section 3 of this Act, is  
13 amended by adding at the end thereof the following new  
14 paragraph:

15                  “(4)(A) The Administrator shall—

16                  “(i) provide to small business concerns information  
17                  regarding—

18                  “(I) computer crimes committed against  
19                  small business concerns; and

20                  “(II) security for computers owned or uti-  
21                  lized by small business concerns; and

22                  “(ii) provide for periodic regional forums for small  
23                  business concerns to improve the exchange of informa-  
24                  tion regarding the matters described in clause (i).

1        "(B) Not later than sixty days after receipt of the report  
2 of the task force under paragraph (3)(H), the Administrator  
3 shall establish a part of the Small Business Administration a  
4 resource center that will carry out the functions of the Ad-  
5 ministrator under subparagraph (A)(i).".

○